

MR FORM 5

(January 1985)
(Noncoal)Bond Number _____
Permit Number ACT/049/009

RECEIVED

APR 23 1985

DIVISION OF OIL
GAS & MININGSTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Sunshine Mining Company
as principal, and The Aetna Casualty and Surety Company as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining in the penal sum of Seven Hundred Thirty Seven Thousand and no/100--
----- dollars (\$ 737,000.00).

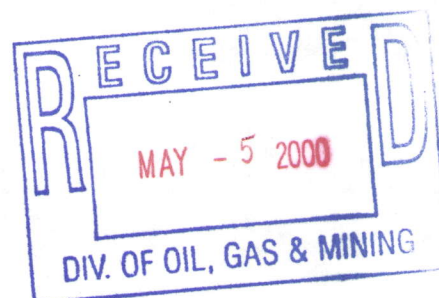
The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 4th day of OCTOBER
19 84, that 96 acres of land will be disturbed
by this mining operation in the State of Utah. A description of the disturbed
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is
noncancellable by the surety at any time for any reason including, but not
limited to nonpayment of premium or bankruptcy of the permittee during the
period of liability.



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NONCOAL
MR-5

① 2065


NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

Dated this 18th day of April, 1985.

State of Utah
Board of Oil, Gas and Mining

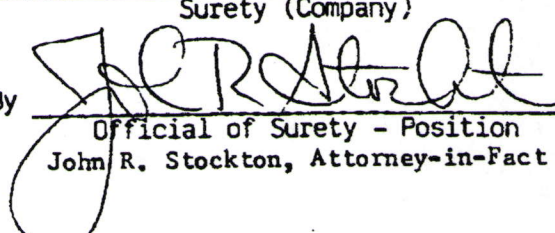

Gregory P. Williams, Chairman

Sunshine Mining Company
Principal (Company)

By  Vice President and
Controller
Company Official - Position

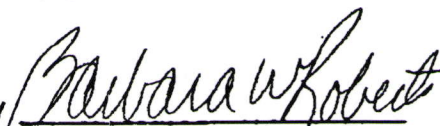
Date: April 18, 1985

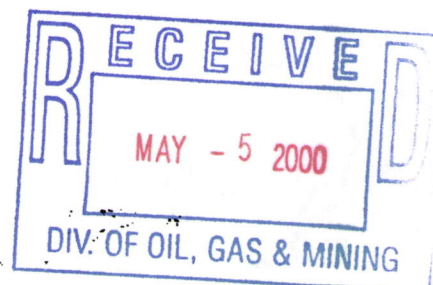
The Aetna Casualty and Surety Company
Surety (Company)

By 
Official of Surety - Position
John R. Stockton, Attorney-in-Fact

DATE: April 18, 1985

APPROVED AS TO FORM:

By 
Assistant Attorney General



"EXHIBIT A"

① 3 of 5

Attachment ADescription of Permit area ACT 1049/2009

The permit areas are accessible by use of Silver Pass Road, a county road, off of U.S. Highway 6 to a controlled private service road. Access to settling ponds is by a private road off of U.S. Highway 6.

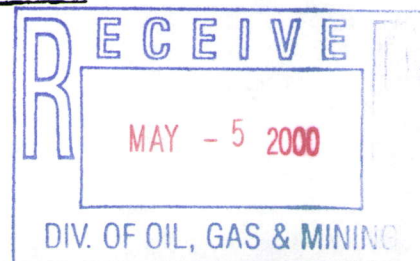
1.2 Permit Area Description

The general permit area is located on the east flanks of the East Tintic Mountains of the upper Jordan River drainage. An intermittent drainage system that extends from Silver Pass down through the permit area emptying into the alluvial fill in Goshen Valley. Numerous springs attest to the permeability of the volcanic cap that overlies most of the area. Apparently at least two separate aquifers occur in Goshen valley. One has warm salty water and the second cool fresh water, both commonly have adjacent surface expressions.

At Elberta the average annual precipitation is 10.50 inches and average pan evaporation rate is 37.30 inches. Temperatures range from -17F to +104F with approximately 127 frost-free days. Winds are predominately from the southwest averaging 5-10 MPH with peaks to 60 MPH when storm fronts pass through the area.

Pinyon-juniper woodlands with an interspersions of sagebrush clearings covers the slopes of the mountains. The woodland gives way to an open sagebrush-grass vegetation pattern on the lower slopes and alluvial fans. The sandy gravelly loam soils are derived from a volcanic parent material or a mixture of sedimentary rocks. Wildlife populations are those common to the Basin and Range Province.

The Burgin mill permit area consists of Burgin #1 and 2 shafts, mill, administrative facilities, storage yard and utility services situated on the tops of several waste rock dumps in the pinyon-juniper zone. The D&RG railroad and a county road also cross this permit area. The adjacent Hunter shaft is located on a small pinyon-juniper ridge. The tailings pond will be located on the low bench adjacent to the main drainage and also adjacent to existing tailings ponds. The six settling ponds are located on the alluvial fan just above Goshen Valley bottom. The sandy gravelly soils at this site support a sagebrush-grass plant community.



① 4 of 5

Acreage Summary (See Exhibit 1)

Permit Area	Acreage	Disturbed Acres	Reclaimed Acres	Costs
Trixie	11.4	8.55	4.15 1.	\$ 37,520
Hunter Shaft	10.0	7.17	7.17	\$ 48,100
Burgin Mill	57.9	29.40	29.40	\$129,600
Tailings Pond	41.37	28.67	28.67	\$ 39,310
Settling Ponds	180.00	36.10	26.00 2.	\$ 30,750
Totals	300.67	109.89	95.99	\$285,080

1. Access and Shaft left intact per Chief Consolidated's request.
2. Conduit ROW not reseeded.

LEGAL Description

All Description is located in the Eureka Quadrangle UTM, N3952.5-W11200/7.
on T10S-R2W

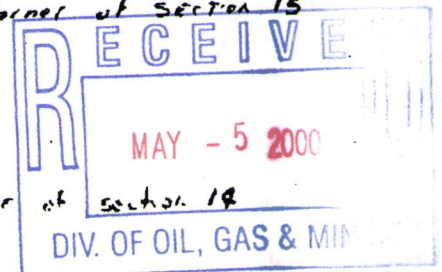
TRIXIE - approx 6400' West of the N.E. corner of section 27 and
(Exhibit II) 750' South of this point

Hunter Shaft - approx. 2500' West of the S.E. corner of Section 15
(Exhibit III) and 1500' North of this point

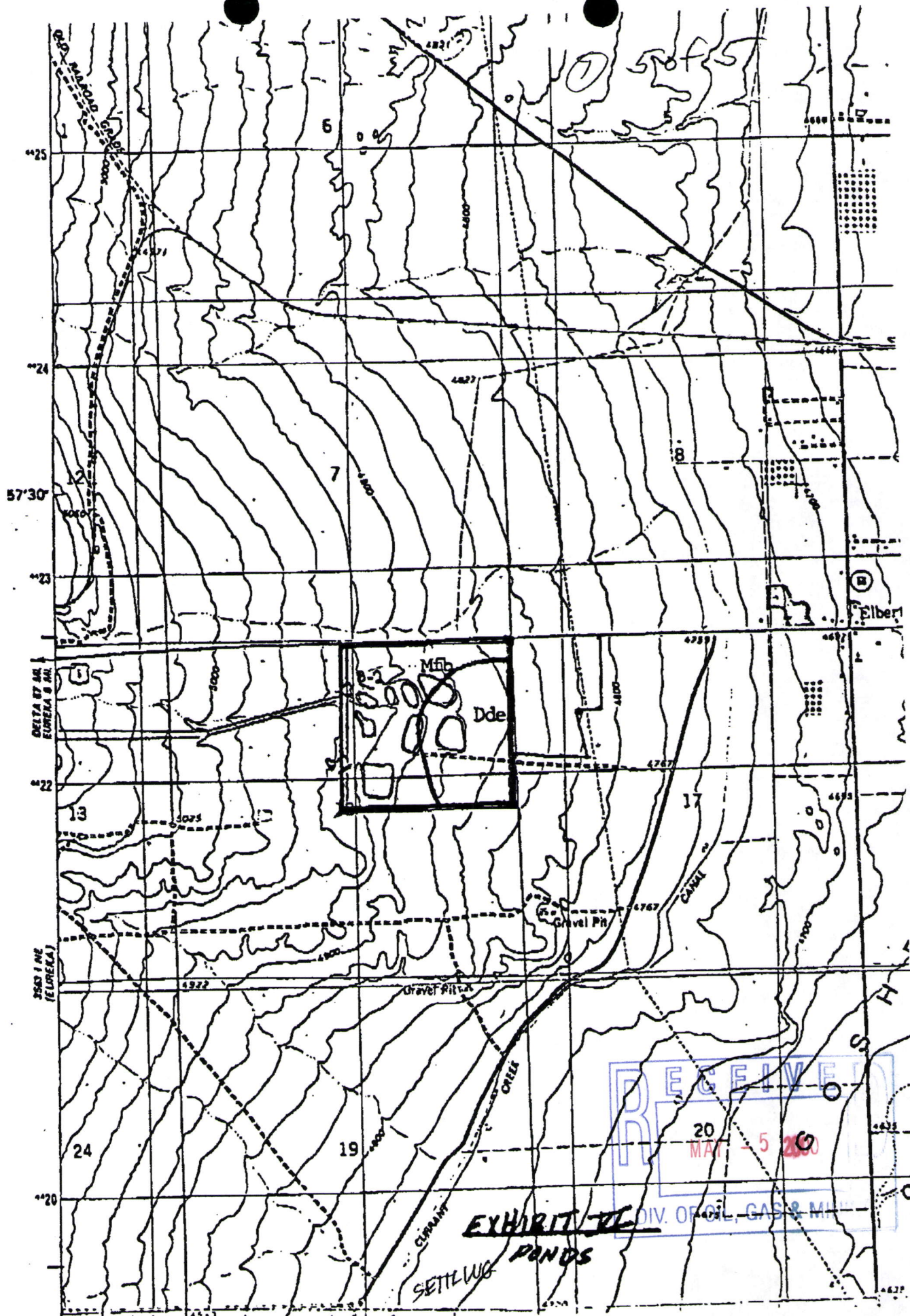
Burgin Mill - approx. 1120' West of the S.E. Corner of Section 15
(Exhibit IV) and 400' North of this point

Tailings Pond - approx. 5,400' West of the NE corner of section 18
(Exhibit V) and 1,200' South of this point

SETTLING PONDS - is in Gasconade Co., Mo., located in T10S-R1W.
(Exhibit VI) approx. 4000' EAST of the NW corner of section 18
and 1000' South of this point



SETTLING HAND



(2)

Bond est dated 1/16/85

NEW BURGIN MINE COST ESTIMATE

In order to consolidate all operations of the Sunshine Mining Company into one Permit Bond, the Apex Shaft area bond shall also be included. Current plans by Sunshine calls for reclamation in 1995. Inflation is currently factored at 6.78% per year on bond estimates (Ref. Means '84). Bonding estimate for each area in 1984 dollars is as follows:

HUNTER SHAFT RECLAMATION AREA
(See attached estimates by Sunshine.) \$ 48,100.00

BURGIN RECLAMATION AREA
(See attached estimates by Sunshine.) \$ 129,600.00

TAILINGS & WATER SETTLING PONDS RECLAMAION AREA
(See attached estimates by Sunshine.) \$70,060.00

TRIXIE MINE AREA
(See attached estimates by Sunshine.) 37,320.00

APEX SHAFT AREA

The Apex Shaft area currently has a bond in the amount of \$67,572.00 for 2.8 acres. This bond amount has been re-adjusted for inclusion into the bond amount. Calculation of the adjustment is as follows:

(2)

Previous bond amount subtotal (1982\$) was \$32,456.00. Inflating at 13% for two years, (13% as shown on the bond estimate) brings the subtotal to \$41,440 in 1984 dollars. (See attached estimates by Sunshine.)

\$ 41,440.00

SUBTOTAL FOR ALL AREAS IN 1984 DOLLARS - \$ 326,520.00

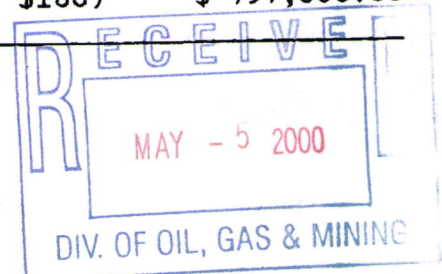
ADD 10% FOR CONTINGENCY - \$ 32,650.00

SUBTOTAL - (1984 DOLLARS) \$ 358,170.00

INFLATION @ 6.78% FOR 11 YRS TO 1995 DOLLARS - \$ 378,850.00

TOTAL BOND ESTIMATE IN 1995 DOLLARS - \$ 737,020.00

TOTAL BOND ESTIMATE IN 1995 DOLLARS - (NEAREST \$100) \$ 737,000.00



OIL GAS & MINING

TEL: 801-359-3940

Jan 22, 92 11:57 No.009 P.02

3

SUNSHINE MINING COMPANY (SMC)

M/049/009

Bonding Summary

(January 16, 1992)

	Area Within Permit Boundary (acres)	Area Currently Disturbed (acres)	Area Currently Bonded by DOGM (acres)	Itemized Bond Amount 1984 - \$ (3)
Apex Shaft Area	2.8	2.0 (?)	2.8	41,440
Trixie Shaft Area	11.4	3.8 (?)	4.95	37,320
Hunter Shaft Area*	10.0	0	5.71	48,100
Burgin Mill Area	57.9	29.4 (?)	29.4	129,600
Burgin Tailings Pond*	41.37	28.67 (?)	28.67	39,310
Burgin Settling Ponds	180.0	26.0 (?)	26.0	30,750
Trixie Tailings Pond #1* (A-B-C)	0	0	0	0
Trixie Tailings Ponds #2-4	2.2 (?)	2.2 (?)	0	[4,920 (1)]
Trixie Tailings Ponds A,B,C*	10.01 (?)	0	0	[17,450 (2)]
Zuma Clay Operation	7*	5	0	[11,400*]

* Denotes proposed project

(?) Need verification from operator

(1) SMC estimate in 1985 dollars, not currently bonded by DOGM

(2) SMC estimate in 1986 dollars, not currently bonded by DOGM

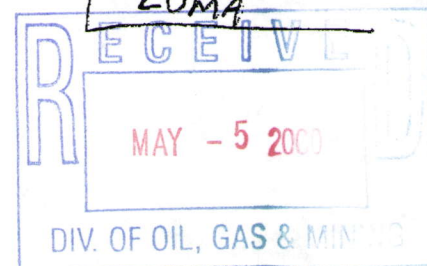
(3) These values do not include the 10% contingency or escalation to 1995

Note: Current bond held by DOGM is for \$737,000 in 1995 dollars

↑

Ponds 2-4

ZUMA





P.O. Box 250
EUREKA, UTAH 84628
[801] 433-6854

4

T.B. HANNIFIN, JR.
General Manager

February 19, 1986

Betty Sloan
Woods Petroleum
3817 Northwest Expressway
Suite 700
Oklahoma City, Oklahoma 73112

Dear Ms. Sloan:

The following is the meets and bounds for the new area our Operation is currently permitting for three small tailings ponds.

Beginning at a point 1560 feet N. 32.5°W. from the SW corner, Section 11, T.10S., R.2W., S.L.B.M. Thence north 500 feet, thence east 2500 feet, thence south 500 feet, thence west 2500 feet back to point of beginning.

4 → The total area included in the above description is 28.69 acres of which 10.01 acres are estimated to be disturbed and will have to be reclaimed.

The estimated reclamation costs for the 10.01 acres is \$17,450.00, attachment A, which has been submitted to the State of Utah Department of Oil, Gas and Mining.

I have also enclosed a letter dated January 26, 1986 which discusses a bond rider for these tailings ponds on page 2, Rule M-5.

If you have any further questions or require additional information regarding bonding please advise.

Very truly yours,

Glenn M. Mellor
Glenn M. Mellor
Senior Geologist

GMM/lrl

Enclosures (2)

